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"SUPERIOR SERVICE SINCE 1960"

The Marcus Agency Newsletter

VOLUME 9, ISSUE 2 MAY 2009

FINALLY!

SIMPLIFIED, ONLINE APP FOR UL

Effective immediately, West Coast's popular TeleLife program is available for universal life insurance sales. This includes the following products:

1. **LifeTime Platinum III**
2. **LifeTime Platinum III Plus**
3. **LifeTime Advantage Plus**

Call for details.

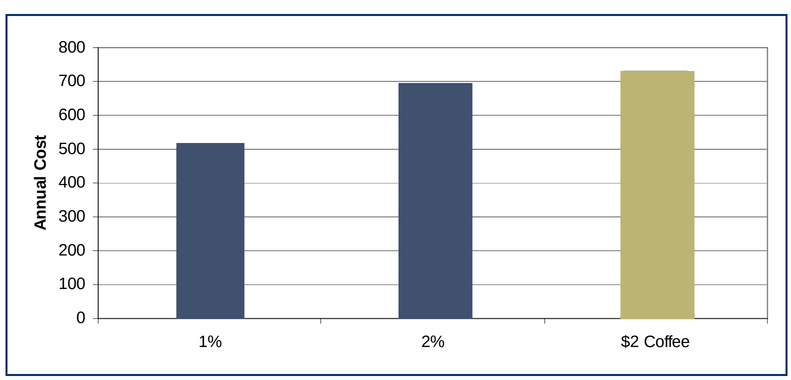
INSIDE THIS ISSUE:

10 Reasons Policy Reviews Work

1. **Smokers Quit.** We can get preferred non-smoker rates after just 1 year as non-smoker.
2. **Postponed Cases.** May be time for re-applying.
3. **Health Changes for the Better.** Clients may be eligible for lower premiums.
4. **Health Unfortunately Declines.** You may be able to secure your client's insurability through term conversion.
5. **Policies Are Nearing or Already At End of Term.** Many agents do not even realize their clients are paying the YRT premiums on their old term policies, which could be much higher than the cost of a replacement plan.
6. **Security.** Your clients will know that you are closely monitoring their insurance policy and keeping their best interests in mind.
7. **Referrals.** Satisfied clients equal referrals.
8. **Old UL Plans Are Under Performing.** In many cases, we've been able to take the existing cash value and roll it into a new plan with lower or similar premiums and guaranteed coverage.
9. **Needs Change.** Clients may benefit from increasing and/or extending their existing coverage via replacement.
10. **Products Improve/Change.** It may be time for your clients to redesign their insurance portfolio by moving to newer plans with more attractive benefits or adding different types of protection such as LTCi.

LTCi For a $2 Cup of Coffee...

For less than the cost of a cup of coffee a day, your clients can add an LTC rider to their John Hancock life policy when applying for coverage. This feature allows them to utilize some of their death benefit to help pay for long-term care expenses. Give us a call for the full details on this sales idea and the illustration that provided the data for this presentation.



Annual Cost of LifeCare Benefit Rider over Base Premium
Annual Cost of Daily $2 Cup of Coffee (in a non-leap year)

Protection UL-G. Male, 50, Preferred, $1 million Death Benefit, Level-Pay Premium $8,890; Premium w/ 1% MAP $9,395; w/ 2% MAP 9,573

Banner offers preferred plus to cigar smokers. Ask us about our other tobacco-use programs!

"Call us with your difficult underwriting scenarios and let our experienced underwriters & RN find the most competitive offer for your clients."

Banner Life Underwriting Niches

- Preferred plus is available for occasional cigar users (up to 12 per year).
- The majority of rated cases are priced from standard plus rate class. The only non-tobacco cases that are rated from standard rate class are those with a flat extra for cancer history.
- Preferred plus is available for qualified applicants, even if taking medication for hypertension and/or cholesterol.
- Negative reflex testing on abnormal LFTs allows standard plus on some cases that would have otherwise been table rated.
- Treadmill EKGs are only routinely required for ages 41 through 70 for amounts over $10 million. They are not routinely required at ages 40 and under, or ages 71 and over for any amount.
- APS ordering procedures require fewer APS's in target markets. Additional APS requests are reviewed by the team director before being ordered.
- All declines are given a second review by the medical director(s).
- Earned income multiples were increased in 2008 for financial underwriting.
- Aggressive underwriting on diabetics.

Family History Hot Spots

- Carriers that ignore family history of cancer include Lincoln Financial & ING. United of Omaha does the same, except at Preferred Plus rates.
- John Hancock allows Preferred rates on applicants with death of one parent due to CAD or Cancer before age 60.
- Prudential will ignore family history of breast cancer, if the applicant is male.

- MetLife offers Wellness Credits (for applicants ages 40—65), which ignores death of one parent.
- Carriers that ignore sibling family history include AIG, Banner Life, Genworth & ING.
- Family history is ignored by a number of carriers for applicants ages 65+.

Back To Basics—Whole Life

In today's economy, people are looking for ways to secure their future. One way to show your client those kind of guarantees in their life insurance policy is with a whole life plan.

JOHN HANCOCK Protection WL

- Non-par. (A low-cost alternative to participating whole life.)
- Premiums guaranteed to remain level.
- Guaranteed short-pay options available, including single-pay, 10-pay, 15-pay, 20-pay & paid-up at age 65.
- Guaranteed cash value, often equal to premiums paid within 10+ years.
- LTC rider available, as shown on Page 1.

METLIFE Whole Life

- Dividend potential. Numerous options available.
- Premiums guaranteed to remain level.
- Extremely competitive performance in comparison to other aggressive carriers in the marketplace.
- Top-notch underwriting.

Alternative Low Cost Long-Term Care Insurance

PRUDENTIAL LTC EVOLUTION

Lifetime Maximum Options

$100,000 to $1,000,000 (All benefits paid reduce Policy Lifetime Maximum)

Coinsurance

20%

Cash Benefit

Starter Benefit: $1,500/month paid for a maximum of 12 months.

Guaranteed Increase Feature

Built-in: Every fifth policy anniversary, up to insured's 76th birthday, insured can elect to purchase 25% of the original Policy Lifetime Maximum.

Shared Care

After exhausting own pool, one spouse/partner can use other spouse/partner pool. If spouse/partner exhausts other spouse/partner's policy, then that spouse/partner can purchase up to 50% of the original Policy Lifetime Max.

JH LEADING EDGE

LONG TERM CARE INSURANCE

Benefit Periods

3, 5 or 5 years plus $1,000,000

Inflation Options

Automatic inflation coverage. 5% compound guaranteed purchase inflation (GPO).

John Hancock's CPI-linked inflation protection is a compound inflation option that provides annual LTC insurance benefit increases based on changes in the Consumer Price Index for all Urban Consumers (CPI).

In addition to any annual increases received through CPI-linked inflation, policyholders who select this inflation protection will also have a Guaranteed Increase Option (GIO). This feature gives you the opportunity every three years to increase your existing benefits by 10%—for any reason, and with no health questions or exams.

GENWORTH CORNERSTONE

Product Summary

It is a lower premium product that includes a one-time out-of-pocket dollar deductible and an ongoing cost sharing structure providing a more affordable policy offering. (Please note: Room and board charges in an Assisted Living Facility are excluded in the base policy, but may be covered by a rider purchased at an additional cost.)

Coinsurance

20%

Policy Maximums

Lifetime = $1,000,000

Daily = $400

Return-of-Premium

If policyholder dies before age 65, 100% of premiums paid (less claims) is refunded to beneficiary or estate. This feature is automatically included at no cost.

Shared Care Is Available

As us about our extensive list of long-term care companies, including…

- ***Genworth***
- ***John Hancock***
- ***MetLife***
- ***Prudential***
- ***& more!***

Time Is Of The Essence!

By now you are no doubt aware that the life insurance industry has been experiencing increases in both term and permanent rates.

This sudden end of the " term wars " and decreasing rates on universal life plans are a twofold reflection on recent actuarial assumptions.

First, the current financing costs on re-pricing new product has increased four to five percent. This cost is being passed on to the consumer and has brought an end to the constant decreasing of term prices we have been experiencing over the last several years.

Secondly, recent actuarial statistics on the universal life plans offering long term guarantees have shown these products have all but eliminated the lapse assumptions being used by the majority of companies. As a result we are seeing an increase on the sales charge of roughly 5% on permanent products with lifetime guarantees as companies replace or adjust existing products from their portfolios.

There is still some time left to convince that procrastinating client that costs will never be less expensive than right now and "time is of the essence."

What Is Comdex?

As published online (via www.lifelinkcorp.com) by EbixLife, previously LifeLink Corporation.

The Comdex is Not a Rating

The Comdex is not a rating itself, but a composite of all the ratings that a company has received. The Comdex ranks the companies, on a scale of 1 to 100, in relation to other companies that have been rated by the services. The Comdex is an effort to reduce the confusion over ratings, which is caused by each rating service using a different scale.

How is the Comdex Calculated?

To calculate the Comdex, we first determine the percentiles for each rating service. We start by counting the total number of companies rated by the service. Next we count the number of companies in each rating category. From that data, we calculate the percentile for each rating category. For Example, let us take a sample rating service and calculate the percentiles. The Super Rating Service assigns ratings in five categories, A, B, C, D and E. It has rated a total of 50 companies as shown below. The percentiles would be calculated as follows:

Ratings	Companies	Percentile
A	5	100
B	10	90
C	15	70
D	10	40
E	10	20
	50	

FOR EXAMPLE:

A company with a 93 Comdex would mean that the carrier is stronger than 93% of the other companies rated.

"The Marcus Agency continues to monitor & analyze the market to assure we offer the best-rated companies! Give us a call for current financial reports on our companies."

We repeat this process and construct a table of percentiles for each of the rating services. Using these tables, we can now calculate the Comdex for a given company. We take each rating that the company has received, and look up the percentile in the table for that rating service. Then we average the percentiles and factor in the number of ratings received to give the Comdex.

NOTE: A company needs to be rated by at least two rating services to receive a Comdex. The Comdex is based on the ratings issued by the following rating services: A.M. Best, Standard & Poor's, Moody's Investors Service and Fitch.

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